

## Respondent Profiles

### 4.1. Introduction<sup>1</sup>

The profiles of the respondents are consistent with the Shugoll study conducted in 1997. Responses along the survey are internally consistent, such as: “older recipients have received Federal benefits for a longer time” or “public transportation is more available in the city”. Table 4.5 at the end of the chapter summarizes the characteristics of Federal check recipients by whether or not they have a bank account.

#### ***Key Findings***

Unbanked Federal check recipients show specific demographic characteristics and they significantly differ as a group from banked Federal check recipients. The key findings are as follows:

- Overall, unbanked recipients are more likely to be female, with significant variation by program.
- Unbanked recipients are significantly younger than banked recipients, which appears to be related to their SSI subgroup.
- Unlike banked recipients, unbanked recipients are more likely to be single (37%), especially Black unbanked recipients (51%).

A vast majority (77%) of unbanked recipients lives in one adult households.

- Unbanked recipients are primarily city residents. Living area and ethnic group are highly related: a core subgroup of unbanked recipients was identified as Blacks living in cities — 14% of unbanked recipients.
- Forty percent of Blacks and Hispanics among unbanked recipients is significantly higher than the percentage of Blacks and Hispanics in national census statistics or among banked recipients.
- Annual household income for unbanked recipients is concentrated in the \$6,000 - \$15,000 range, except for Hispanics who are more often under \$6,000.
- Significant variations emerge by region for unbanked recipients in the case of living area and education.

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<sup>1</sup> The sample data contained in this section is subject to variability and are not point estimates alone. Additional information is contained in the Methodology section, Chapter 3.

## 4.2. Who are the unbanked?

Unbanked Federal check recipients show a profile with specific characteristics for most demographic dimensions studied.

### **Gender**

Over half of the unbanked Federal check recipients are females (58%). However, the proportions vary by program: recipients who belong to SSA, SSI, or to both are more often females (63% and 62% respectively), while VA recipients are more often males (75%). Female percentages for other programs are: 25% for RRB and 28% for OPM<sup>2</sup>.

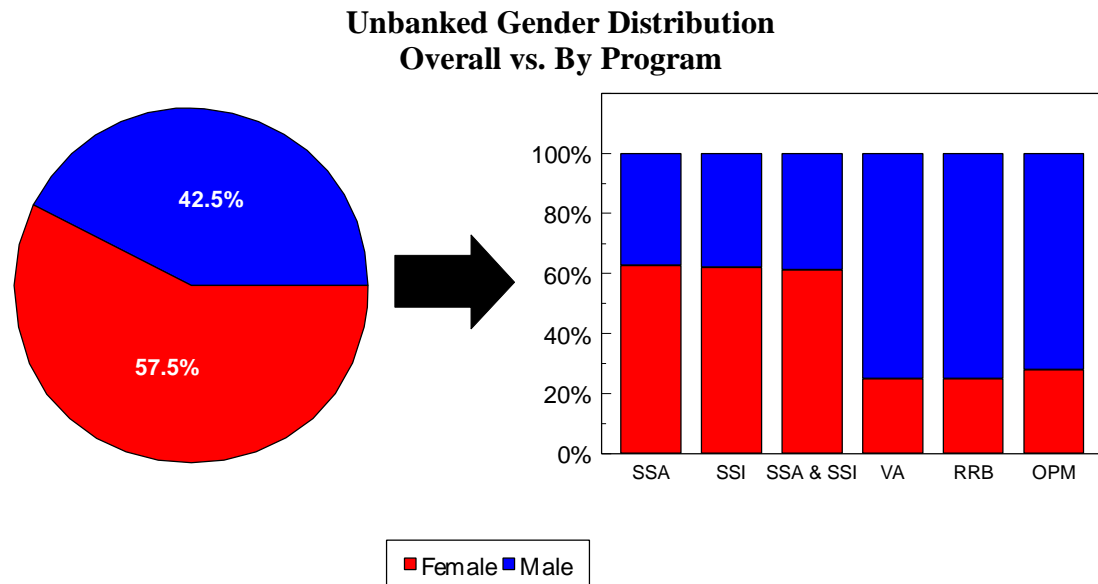


Figure 4.1

SSI recipients survey information is consistent with agency statistics: 60% of overall SSI recipients are females according to the “Fast Facts about Social Security 1998”.

### **Age**

The mean age of Federal check recipients who do not have a bank account is 53 years old and the median is 50 years old. In addition, the majority of unbanked recipients (56%) is between 25 and 65 years of age.

<sup>2</sup> OPM: too small sample for significance.

### Unbanked Age Distribution

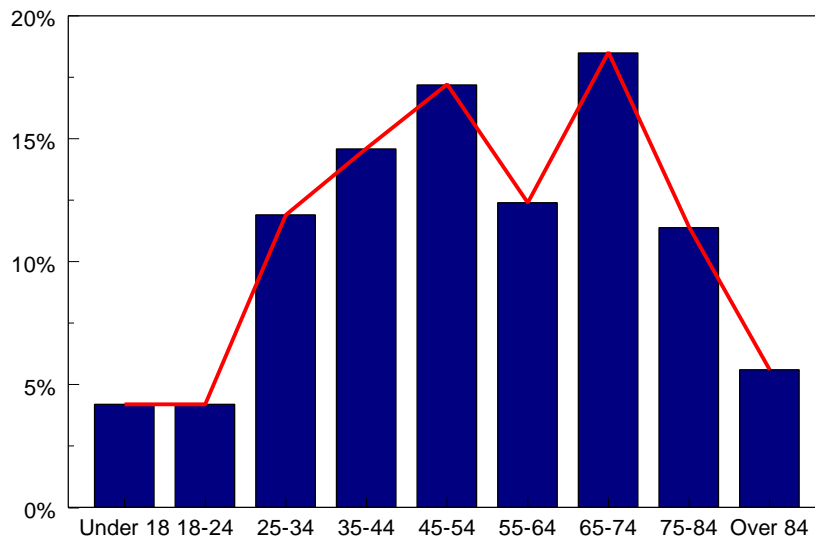


Figure 4.2

Results by program differ, with SSI only unbanked recipients being significantly younger (the mean age is 44 years old) than others. The mean age is 56 years old for SSA recipients, 55 for VA, 61 for OPM, and 67 for RRB. The majority (60%) of SSI unbanked recipients is under 45 years of age. This is less the case for other programs (32% for SSA recipients, 32% for recipients who receive both SSA and SSI, 23% for VA and 0% for RRB).

### Marital Status and Children

The largest group among unbanked recipients is single, accounting for over one-third of recipients (37%). Then by order of importance, married recipients (23%), widowed (19%), divorced (14%), and separated recipients (7%).

Consistent with census data, Hispanic recipients are more likely to be married (40%) than other ethnic groups, especially when compared with Blacks, who are most often single (51%). SSI only recipients are also more likely to be single (50%), while nearly one-third (29%) of recipients of both SSI and SSA are widowed, which is significantly above average.

The survey indicates that, on average, there is less than one (0.8) child under 18 years old in unbanked recipient households. Blacks have a significantly higher number of children under 18 years of age (1.1) and a large percentage of the Black households are one adult households — 88% of unbanked Blacks are single, separated, divorced or widowed.

- The higher average number of children under 18 for Black households is largely associated with single and separated Blacks (1.33 and 1.71 children respectively).
- This is consistent with census data: 54% of all Black families in 1996 were maintained with a single parent, compared to 20% for Whites.

### Living Area

Unbanked Federal check recipients vary in their living areas: a high number of the recipients live in cities (42%), while only 8% live in suburbs; similar numbers live in small towns (27%) and in the countryside (23%).

This data varies according to the type of check received. SSI only recipients are much less likely to live in the countryside (12%) than other groups, such as RRB recipients (62%).

Living areas and ethnicity are highly associated. Blacks and Hispanics are twice as likely (62% and 60% respectively) to live in cities than Whites (30%) or other ethnic groups. A majority of Whites (62%) lives in small towns or in the countryside, as opposed to 32% each for Blacks and Hispanics.

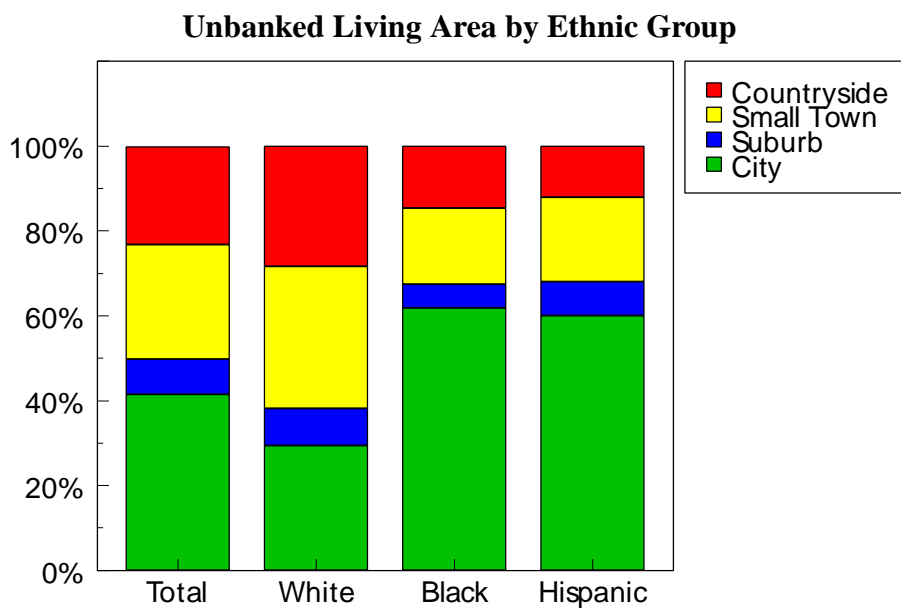


Figure 4.3

The survey results suggest that the proportion of unbanked recipients living in different types of areas varies by region. A higher percentage of recipients lives in cities in the Northeast and Midwest regions (54% and 49% respectively), while a higher percentage of recipients lives in the countryside in the Southeast region (36%).

## ***Ethnic Group***

Blacks and Hispanics represent approximately 40% of the unbanked survey respondents (25% and 14% respectively). A small majority of unbanked recipients is White (52%), while Asians account for 2%, American Indians or Alaska Natives for nearly 5%, Native Hawaiians or Pacific Islanders for less than 1%, and Other<sup>3</sup> ethnic groups for nearly 2%.

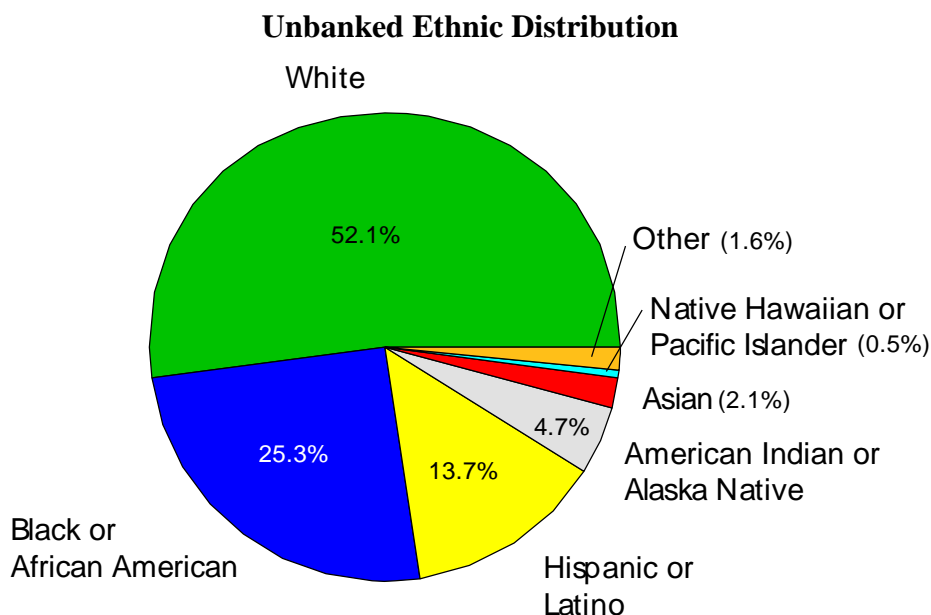


Figure 4.4

As previously identified, there is a strong relationship between ethnic group and living area. Unbanked recipients living in cities include 37% of Blacks, 37% of Whites, and 20% of Hispanics. In comparison, 65% of small town and 64% of countryside unbanked recipients are Whites.

## ***Education Level***

The vast majority of unbanked Federal check recipients have not attained a high level of education: 82% of unbanked recipients did not study beyond high school. Specifically, 56% of recipients attended only some high school or even less, 26% graduated from high school, 14% tried some college or trade school, 1% reached a college degree, 2% attempted some post-graduate or professional education, and finally 1% received a post-graduate or professional degree.

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<sup>3</sup> In Chapters 4, 5 and 6, when used for segmentation purpose, Other ethnic group includes Asians, Native Hawaiians or Pacific Islanders, and Other as defined in the survey.

As expected, younger respondents had a higher opportunity for education and therefore attained higher levels of education. No recipient over 84 studied beyond high school, and only a few recipients over 65 studied post high school (3% for 75-84 years old recipients and 7% for 65-74 years old recipients).

Education attainment also varies depending on ethnic groups. Consistent with national statistics<sup>4</sup>, Hispanics have a lower education attainment: 73% of unbanked Hispanic recipients did not complete high school and an additional 21% only reached a high school diploma. Whites' education attainment is higher with 55% who did not complete high school and 30% with a high school diploma. Both groups show significantly lower attainment compared to Blacks: 30% studied beyond high school.

**Unbanked Education Attainment by Ethnic Group**

<b>Education Level</b>	<b>Black</b>	<b>Hispanic</b>	<b>White</b>
Some High School or Less	48%	73%	55%
High School Diploma – Some College	43%	27%	43%
At Least a College Degree	9%	0%	2%

*Table 4.1*

Finally, education attainment varies strongly by region. Unbanked recipients living in the West are more educated: one-third of the West recipients studied beyond high school as opposed to recipients from the Central and Southeast regions (11% and 13% respectively).

### ***Income Level***

The mean annual household income for unbanked Federal check recipients is \$10,000, and the median income is \$7,000. Consistent with education level, income is significantly lower for unbanked Hispanic check recipients (mean income of \$8,200). However, despite higher education attainment, Blacks' mean income of \$9,500 is lower than Whites' \$11,200. Over half of Hispanics (53%), earn less than \$6,000 a year, while the majority of Black and White recipients (60% and 57% respectively) household incomes are between \$6,000 and \$15,000 per year.

**Unbanked Income Distribution by Ethnic Group**

<b>Income Level</b>	<b>Black</b>	<b>Hispanic</b>	<b>White</b>	<b>Total</b>
Under \$6,000	26%	53%	24%	30%
\$6,000 - \$15,000	60%	36%	57%	54%
Over \$15,000	14%	11%	19%	16%

*Table 4.2*

In addition, VA and RRB recipients appear to have higher annual household income than SSA or SSI, or both SSA and SSI recipients. A majority of VA and RRB recipients (55% and 67% respectively) earn over \$10,000 per year — the mean income is \$14,200 for VA and \$17,700 for RRB. Conversely, the large majority of SSA or/and SSI recipients earn under \$10,000 per

<sup>4</sup> 1997 Population Profile of the United States.

year (67% of SSA only, 79% of SSI only, and 78% for SSA and SSI recipients) — the mean income is \$10,300, \$8,300, and \$8,900 respectively.

### ***Home Ownership***

The majority of unbanked recipients (70%) live in their personal home<sup>5</sup>. They primarily rent the place where they live (41% rent versus 29% own). Other recipients live with relatives (21%), live in an institution (3%), or live in some other place (7%). The degree of ownership varies by area, with more owners in the countryside (58%) where the land is less expensive. Other areas' level of ownership is 15% for the city, 24% for the suburb, and 25% for the small town. Ownership did not seem to be related to income level.

### ***Environment Infrastructure***

Only 13% of unbanked Federal check recipients have access to a computer. As expected, this varies by income level, with 41% of unbanked recipients with an annual household income over \$20,000 per year having access to a computer. Access also differs depending on age: access to a computer decreases as age increases. Less than 10% of recipients over 45 years old have access to a computer (down to 5% when over 84), while a computer is available to more than 20% of recipients under 45 (up to 44% when under 25). Access to a computer depends upon the respondent's living area. Access is much higher in the suburbs (30%) compared to other areas (12% for cities, 12% for small towns, and 10% for the countryside).

An individual means of transportation (car or truck) is accessible to the majority (60%) of unbanked recipients. Public transportation<sup>6</sup> is accessible to 23% and some other method of transportation (e.g., walk, a ride from a relative or friend) is accessible to 18%. Overall, 7% of unbanked recipients claim that no means of transportation is accessible to them. This varies by area: cars or trucks are less accessible in cities (48%), but more in suburbs (76%), in small towns (68%), or in the countryside (69%). Similarly, public transportation is more accessible in cities (39%), but less accessible in suburbs (14%), in small towns (12%), or in the countryside (8%). Transportation access is also related to ethnicity. Cars or trucks are more often accessible to Whites (71%) compared to Blacks (51%) and Hispanics (46%). Similarly, public transportation is more often accessible to Blacks (39%) and Hispanics (37%) compared to Whites (13%). Higher income seems to increase one's access to a car or a truck, with 82% of recipients with an annual household income over \$20,000 having a car or truck accessible for their transportation.

### ***Years of Receiving Benefit***

On average, unbanked Federal check recipients have been receiving a check for 11 years (median is 8 years). This is highly related to age: older recipients have received a check for a longer period of time (average of 6 years under 35 years old versus average of 22 years over 75 years old). In addition, SSI only recipients appear to be short-term beneficiaries compared to other programs, which could be due to the rigorous re-qualification process of SSI.

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<sup>5</sup> Personal home, which is owned or rented, as opposed to be living in an institution or with relatives.

<sup>6</sup> Several means of transportation can be available to one individual.

## 4.3. Unbanked versus Banked

### **Age**

Banked Federal check recipients are significantly older than unbanked recipients. The mean age for banked is 62 years old (the median age is 70) compared to a mean age for unbanked of 53 years old (a median age of 50). The majority of banked recipients (57%) is over 65 years old, while the majority of unbanked recipients (56%) is between 25 and 65 years old.

**Age Distribution — Unbanked vs. Banked**

<b>Age Range</b>	<b>Unbanked</b>	<b>Banked</b>
Under 25	8%	2%
25-65	56%	41%
Over 65	36%	57%

*Table 4.3*

### **Marital Status and Children**

Banked Federal check recipients are much more likely to be married (49%) than unbanked recipients (23%). At the same time, banked recipients are significantly less likely to be single (15%) than unbanked recipients (37%). The differences are likely related to ethnic group: there is a higher percentage of Whites banked than Whites unbanked and White banked recipients have a significant higher probability to be married (53%) than White unbanked recipients (22%).

The mean number of children under 18 years old is significantly lower for banked recipients (0.5) compared to unbanked recipients (0.8). This is consistent with age characteristics.

### **Ethnic Group**

Along the lines of national ethnic distribution, banked Federal check recipients are 71% White, as opposed to only 52% of unbanked. Banked numbers are significantly different from unbanked numbers: Blacks represent 25% of unbanked and 16% of banked, and Hispanics represent 14% of unbanked and 7% of banked.

**Ethnic Distribution of Check Recipients  
Unbanked vs. Banked**



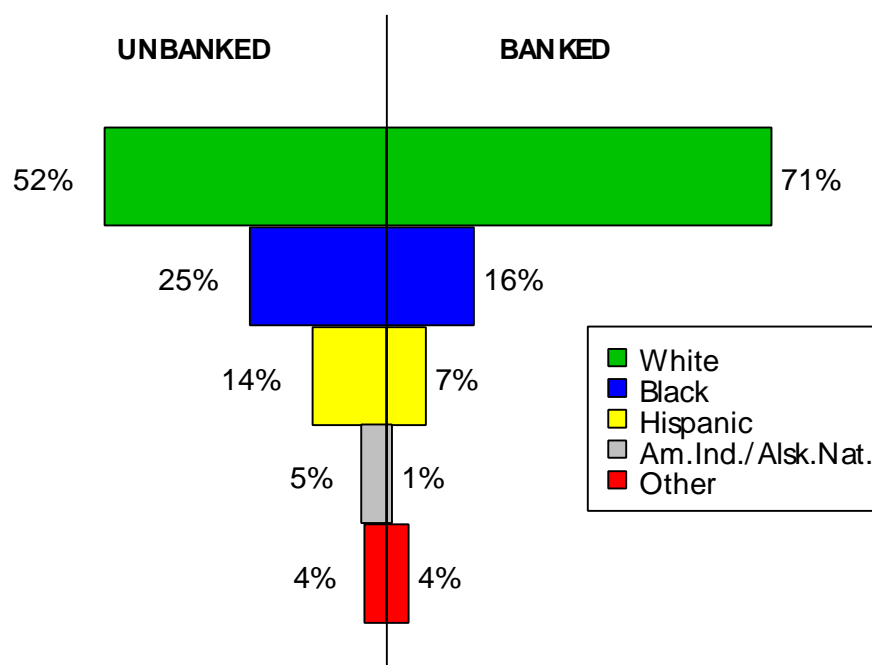


Figure 4.5

### ***Education Level***

Banked Federal check recipients are more educated than unbanked recipients: 39% of banked recipients studied beyond high school compared to 18% of unbanked recipients.

### ***Income Level***

Banked recipients generally have a higher income than unbanked recipients. The mean annual household income is \$17,500 for banked recipients (the median income is \$15,000). The mean annual household income is \$10,000 for unbanked recipients (the median income is \$7,000). Over one-third (38%) of banked Federal check recipients earn an annual household income of \$20,000 or more, while this is the case for only 10% of unbanked recipients.

### ***Home Ownership***

A higher number of banked Federal check recipients (87%) live in their personal home compared to unbanked recipients (70%). Of significant difference is that banked recipients are at least twice as likely to own their home than unbanked recipients (65% versus 29% respectively). As expected, unbanked recipients are twice as likely to rent their home than banked recipients (41% versus 21% respectively). Banked recipients are much less likely to live with relatives.

Banked recipients' higher level of ownership is linked to their higher income level. Higher income is associated with home ownership — 30% of banked recipients with an annual household income under \$2,000 are owners up to 87% of banked recipients with an income over \$20,000. Ethnicity is also a significant factor of difference since banked recipients are more likely to be White and 72% of White banked recipients own their home.

### ***Environment Infrastructure***

Access to a computer is greater for banked recipients (28%) than for unbanked recipients (13%).

An individual means of transportation, car or truck, is more often available to banked Federal check recipients (79%) than to unbanked recipients (60%), which suggests greater mobility.

### Unbanked vs. Banked Respondent Profiles Summary

Characteristic	Unbanked (N=385)	Banked (N=461)
Gender		
▪ Male	42%	47%
▪ Female	58%	53%
Mean Age	53	62
Marital Status		
▪ Single	37%	15%
▪ Divorced	14%	9%
▪ Married	23%	49%
▪ Widowed	19%	24%
▪ Separated	7%	3%
Percent with Children (under 18) in Household	34%	27%
Living Area		
▪ City	42%	36%
▪ Suburb	8%	20%
▪ Small Town	27%	25%
▪ Countryside	23%	19%
Ethnic Group		
▪ White	52%	71%
▪ Black or African American	25%	16%
▪ Hispanic or Latino	14%	7%
▪ Am. Indian or Alaska Nat.	5%	1%
▪ Asian	2%	3%
▪ Nat. Hawaiian or Pacific Isl.	1%	1%
▪ Other	2%	1%
Education		
▪ High School or Less	56%	26%
▪ High School Diploma	26%	35%
▪ Some College	14%	25%
▪ College Degree	1%	8%
▪ Some Post-Graduate	2%	4%
▪ Post-Graduate Degree	1%	2%
Mean Household Income	\$10,000	\$17,500
Home Ownership		
▪ Own Home	29%	65%
▪ Rent Home	41%	22%
▪ Live with Relatives	20%	9%
▪ Live in Institution	3%	1%
▪ Other	7%	3%

Table 4.4